

City of Madeira Beach Annexation Feasibility Study

Progress Report Number 2

Prepared by the
Pinellas Planning Council

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I. EXECUTIVE SUMMARY

A. Introduction

This report analyzes the potential costs and benefits of annexing certain lands into the City of Madeira Beach. The report addresses two distinct areas. Annexation Area AA@ includes residential properties on the east and west sides of Duhme Road, north of the current city limits to 51st Avenue (see accompanying map). Annexation Area AB@ takes in properties east of Area AA@ to 107th Street, north of the city limits to Cherokee Drive/48th Avenue North. Included in each area are the minimum roadway rights-of-way and adjacent nonresidential properties necessary to create a compact, contiguous group of parcels, as required by Section 171.0413, Florida Statutes.

The purpose of this study is to provide information to the city regarding potential annexation of the two defined areas. This report incorporates the findings of Progress Report Number 1, which was previously reviewed by city staff. The city may use this report to evaluate the relative advantages and disadvantages of annexation, both for the city and for study area residents, and to decide whether to proceed with the third phase of this evaluation and eventually the annexation process itself.

B. Study Area Characteristics

Table 1 displays the percentage distribution of land uses in Areas AA@ and AB.@ As shown in the table, both areas are predominantly residential. Area AA@ is more than 40 percent residential, and contains both single-family and multifamily uses; much of the remaining land consists of recreation and marina uses associated with the multifamily development. Area AB@ is more than 93 percent residential, all of which is single-family and duplex housing.

Table 1
Existing Land Uses and Percentage Distribution,
Areas AA@ and AB@

| Land Use | Area AA@ | Area AB@ |
|----------------------|-----------------------------|-----------------------------|
| Single-Family/Duplex | 15.9 % (14.0 acres) | 93.1 % (41.0 acres) |
| Multifamily | 24.7 % (21.6 acres) | 0.0 % (0.0 acres) |
| Commercial | 2.2 % (1.9 acres) | 1.3 % (0.6 acres) |
| Vacant | 17.0 % (14.9 acres) | 2.4 % (1.0 acre) |
| Other ¹ | 40.2 % (35.2 acres) | 3.2 % (1.4 acres) |
| Total | 100.0 % (87.6 acres) | 100.0 % (44.1 acres) |

¹ Includes Preservation, Institutional, Recreation/Open Space, and Marina land uses.

The resident populations of Areas AA@ and AB@ were estimated using data from the 1990 U.S. Census and the Pinellas County Property Appraiser=s Office. It is estimated that in 1995, Area AA@ contained about 1,600 permanent and seasonal residents, and that Area AB@ contained approximately 400, for a combined total of 2,000. Approximately 200 additional residents are anticipated to locate in Area AA@ by the year 2005, when a 104-unit townhome-style condominium project (Kapok Grand) is expected to be completed. Therefore, if annexed, the combined study areas could potentially bring 2,200 new residents into the city by 2005.

Table 2
Population Estimates and Projections,
Areas AA@ and AB@¹

| Year | Area AA@ | Area AB@ | Both Areas |
|------|----------|----------|------------|
| 1995 | 1,565 | 421 | 1,986 |
| 2005 | 1,760 | 421 | 2,181 |

¹ Includes permanent and seasonal population estimates.

By comparison, the current population of Madeira Beach is approximately 5,900, and is not expected to grow significantly by the year 2005. Annexation of Area AA@ would therefore increase the current city population by about 27 percent; Area AB@ would result in an increase of about 7 percent; and the combined areas would result in an increase of approximately 34 percent. By 2005, with the addition of the 104-unit Kapok Grand development, the population of Area AA@ is expected to grow by another 3 percent. Therefore, annexation of Area AA@ would increase the 2005 city population by about 30 percent, and the combined areas would result in an increase of approximately 37 percent.

C. Public Services

The residents of the areas under study receive a number of public services, currently being administered by Pinellas County or other agencies, that would become the responsibility of the city following annexation. A summary of public services is provided in Table 3, along with a list of services for which responsibility would remain unchanged. Any revenues accruing to the city following annexation would be largely offset by the cost of providing services to the new residents, as discussed in more detail in the following section.

D. Costs and Benefits to the City Following Annexation

Annexation of one or both study areas could bring the city increased revenues from ad valorem property taxes, solid waste collection fees, stormwater drainage fees, utility taxes, franchise fees, and state revenue sharing. However, these new revenues would be offset to varying degrees by

the cost of providing additional public services. In particular, it is estimated that new expenditures would be required to provide code enforcement, planning, transportation, maintenance, solid waste collection, stormwater drainage, and police protection services. Other public services, including fire, EMS, library, and recreation services, are expected to be satisfied by existing personnel and equipment.

Table 3
Summary of Jurisdictional Responsibilities
Before and After Annexation

| Public Service | Current Responsibility | Responsibility Following Annexation |
|---|------------------------------|-------------------------------------|
| Administrative (planning, finance, building inspection, code enforcement) | Pinellas County | Madeira Beach |
| EMS | Pinellas County ¹ | Pinellas County ¹ |
| Fire Service | Seminole | Madeira Beach |
| Library | Library Cooperative | Library Cooperative |
| Natural Gas | People-s Gas | People-s Gas |
| Police | Pinellas County | Pinellas County ² |
| Potable Water | Pinellas County | Pinellas County |
| Recreation | Pinellas County | Madeira Beach |
| Sanitary Sewer | Pinellas County | Pinellas County |
| Solid Waste Collection/Recycling | Private Contractors | Madeira Beach |
| Stormwater Drainage | Pinellas County | Madeira Beach |
| Transportation | Pinellas County | Madeira Beach ³ |

¹ Pinellas County provides EMS services in conjunction with Seminole and Madeira Beach fire districts.

² The Sheriff-s Office will continue police services under contract with the city.

³ For local roads only. The county will retain jurisdiction over Duhme Road.

Accounting for all known factors, the city could expect to receive approximately \$377,000 in net annual revenues by annexing Area AA@, but would incur approximately \$90,000 in additional annual costs if Area AB@ were annexed. This difference is attributable to the smaller number of households, more dispersed development pattern, lower property values, and higher roadway maintenance costs associated with Area AB.@ If both areas were annexed, however, it is estimated that the city could collect about \$437,000 in net annual revenues. This number is higher than the sum of net revenues for Areas AA@ and AB@ because the additional cost of police protection services would be the same whether one or both of the two areas were annexed (see Table 4).

Table 4
Projected Annual Net Revenues Following Annexation of Areas AA@ and AB@
(rounded to nearest thousand)

| Revenue/Cost Source | Area AA@ | Area AB@ | Both Areas |
|-----------------------------------|-------------------------|-------------------------|-------------------------|
| Administrative Costs ¹ | -\$9,000 | -\$38,000 | -\$47,000 |
| Pinellas County Sheriff | -\$150,000 ² | -\$150,000 ² | -\$150,000 ² |
| Solid Waste/Stormwater Fees | +\$117,000 | -\$1,000 | +\$116,000 |
| Utility Tax/Franchise Fees | +\$177,000 | +\$38,000 | +\$215,000 |
| Ad Valorem Taxation | +\$99,000 | +\$17,000 | +\$116,000 |
| State Revenue Sharing | +\$143,000 | +\$44,000 | +\$187,000 |
| | +\$377,000 | -\$90,000 | +\$437,000 |

¹ Includes code enforcement, planning, maintenance, and transportation costs.

² Includes the cost of two additional Pinellas County Sheriff-s officers, which would be needed whether Area AA@, Area AB@, or both areas were annexed.

Police protection is the largest single factor affecting net revenues following annexation. The Pinellas County Sheriff-s Office, the agency providing police services to Madeira Beach, estimates it would need to charge the city \$150,000 to extend these services to the new population. These funds would provide an additional officer on the morning and afternoon shifts, which would be needed if either Area AA@ or Area AB@ were annexed. However, if both areas were annexed, one additional officer per shift would be sufficient to serve all of the new residents, and the cost would remain \$150,000.

It should be noted that stormwater and solid waste revenues would be applied to municipal funds dedicated for those purposes, not to the general fund. For Area AA@, only about \$260,000 of the estimated \$377,000 would be applied to the general fund; for the combined areas, the amount would be approximately \$321,000 of the estimated \$437,000. To put these figures into perspective, with \$3.8 million in city general fund revenues anticipated for fiscal year 1998-1999, \$321,000 would represent a budgetary increase of about 8 percent, compared with an anticipated population increase of about 34 percent.

E. Costs and Benefits to Residents

For residents of the study areas, annexation could bring about a number of benefits, including greater accessibility to local government, increased code enforcement activities, and improved roadway maintenance. However, an analysis of costs to new residents shows mixed results. While most residents could expect to see savings in property taxes, for many these savings would

be offset by increases in utility taxes and franchise fees. Typical household profiles (see Appendix) suggest that newly annexed residents would spend from approximately \$8.00 less to \$11.00 more in monthly costs, depending on household type and location, as shown in Table 5. The variation in monthly costs is attributable to the different levels of water, sewer, and electricity typically used by each household type, and differences in average property values. Another contributing factor is solid waste/recycling charges, which are projected to decrease for single-family and townhome households but increase for condominium units.

Table 5
Estimated Change in Monthly Costs
After Annexation of Areas AA@ and AB@¹

| Household Type | Utility, Franchise, and Service Fees | Property Taxes (monthly equivalent) | Cost Difference |
|-------------------------|---|--|--------------------|
| Single-Family, Area AA@ | +\$15.52 | -\$23.12 | -\$7.60 |
| Townhomes, Area AA@ | +\$13.96 | -\$12.71 | +\$1.25 |
| Condominiums, Area AA@ | +\$20.14 | -\$9.25 | +\$10.89 |
| Single-Family, Area AB@ | +\$15.52 | -\$10.40 | +\$5.12 |

¹ Positive numbers indicate an increase in monthly costs; negative numbers indicate a decrease.

F. Conclusion

Annexation of one or both areas could be potentially beneficial, both for the city and for newly-annexed residents. The city could increase net revenues by annexing either Area AA@ or both Areas AA@ and AB@, while residents would benefit from lower property taxes and increased public services. However, the city would incur the cost of providing additional public services, and new residents would see increases in utility taxes and franchise fees which, for most households, would more than offset the property tax savings.

It is important to note that expenditures for public services are estimates, and the need for and cost of additional public services may not become apparent until after annexation has occurred. For this reason, potential revenues should not be perceived as a financial windfall, but rather must be balanced against prospective capital and operating costs. Similarly, projected changes in monthly household costs following annexation should be treated as approximate; it is likely that actual monthly costs will vary among individual households.

A final factor should be considered. While this analysis shows small increases in monthly costs following annexation for certain household types, these increases are attributable to utility taxes and franchise fees that are currently imposed in the city, but not in the unincorporated area.

However, the county does have the option to levy such taxes and fees, and may choose to do so in the future, in which case annexation into the city might be more attractive to residents of the unincorporated area. The city should consider this possibility as it decides whether to pursue the annexation process in the immediate future.

II. CHARACTERISTICS OF ANNEXATION AREA AA@

A. Existing Land Use

Area AA@ includes residential properties on the east and west sides of Duhme Road, north of the current city limits to 51st Avenue (see accompanying map). Encompassing 87.6 acres, the area is predominantly residential, with a mixture of single-family and multifamily dwelling units. A number of recreation/open space and marina uses are attached to multifamily developments, and one commercial use (a bank on Duhme Road) is located in the southern portion of Area AA.@ Two groups of vacant parcels are located in the northern portion of the area; one is currently being developed into 104 townhome-style condominium units, while the other lies adjacent to land designated for preservation, and has limited development potential. The existing land use acreages and percentage distribution are shown in Table 6.

Table 6
Area AA@ Existing Land Uses and Percentage Distribution

| Land Use | Acreage | Percentage |
|-----------------------|-------------------|----------------|
| Commercial | 1.9 | 2.2 % |
| Marina | 11.2 | 12.8 % |
| Multifamily | 21.6 | 24.7 % |
| Preservation | 12.0 | 13.7 % |
| Recreation/Open Space | 12.0 | 13.7 % |
| Single-Family | 14.0 | 15.9 % |
| Vacant | 14.9 | 17.0 % |
| Total | 87.6 acres | 100.0 % |

B. Assessed Taxable Land Value

Using data reported by the Pinellas County Property Appraiser's Office, Table 7 displays the existing land use categories, acreages, and assessed taxable value of land in each general property group. For example, properties associated with the Sea Towers condominium complex, which include multifamily residential, recreation/open space, and marina uses, are classified as

one property group. It should be noted that the Kapok Grand property, now in the process of being developed with townhome-style condominiums, is currently assessed as vacant land and therefore, the taxable value is artificially low because it was formerly owned by a religious organization. The real value of the land is considerably higher given that it recently sold for \$1,925,000 (\$150,390 per acre) and the new valuation will be reflected in future tax roles. The total area has an assessed taxable value of \$45,129,000, including the currently under-valued Kapok Grand property.

Table 7
Area AA@ Existing Land Uses and Assessed Taxable Value

| Existing Land Use | Acreage | 1998 Assessed Taxable Value |
|--------------------------------------|-------------------|------------------------------------|
| <i>Vacant/Tidal Swamp Parcels</i> | | |
| Vacant Residential | 2.1 | |
| Preservation | 12.0 | |
| <i>Kapok Grand Development</i> | | |
| Vacant Residential | 12.8 | \$189,800 |
| <i>Myrtle Lane Houses</i> | | |
| Single-Family | 1.4 | \$479,900 |
| <i>Ridgewood Riviera Subdivision</i> | | |
| Single-Family | 12.6 | \$6,997,900 |
| <i>Colonial Court Condominiums</i> | | |
| Multifamily | 1.6 | \$1,308,400 |
| <i>Thornberry Ponds Condominiums</i> | | |
| Multifamily | 2.8 | \$2,052,400 |
| <i>Sea Towers Condominiums</i> | | |
| Multifamily | 15.0 | \$32,097,000 |
| Recreation/Open Space | 12.0 | \$0 |
| Marina | 11.2 | \$150,500 |
| <i>Madrigal Condominiums</i> | | |
| Multifamily | 0.8 | \$402,000 |
| <i>The Lafayette Condominiums</i> | | |
| Multifamily | 1.4 | \$564,600 |
| <i>Madeira Beach Bank</i> | | |
| Commercial | 1.9 | \$645,800 |
| Total | 87.6 acres | \$45,129,000 |

C. Residential Population

Residential uses include 75 single-family houses, 38 townhome-style dwellings, and 831 condominium units covering 35.6 acres of land, not including the 12.8 acres currently classified as vacant and being developed with 104 townhome units. Another 2.1 acres are vacant and zoned for residential use, but they lie adjacent to a tidal swamp and are considered to have limited potential for development. Therefore, the total number of existing dwelling units is 944, and that number is expected to grow to 1,048 by the year 2001, when the Kapok Grand development will be built out.

Although an exact population count is not available for the area, it is possible to estimate the number of residents by examining data from the 1990 U.S. Census. Census blocks, the smallest unit of enumeration, were matched as closely as possible with the boundaries of the area, and a ratio of 1.16 persons-per-dwelling-unit was derived. Applying this ratio to the number of dwelling units in Area AA@ produces an estimate of 1,096 current permanent residents.

Because the overall ratio of 1.16 persons-per-dwelling-unit reflects a mix of housing styles, it was not considered the best estimator of the future Kapok Grand population. Instead, the 104 units were multiplied by 1.46, the ratio found in the adjacent and similar Thornberry Ponds townhome development. This calculation results in 152 additional residents, for a revised projected total permanent population of 1,248 by the year 2005.

The U.S. Census enumerates permanent residents, but does not count the seasonal residents who comprise a large portion of many Florida communities. The number of seasonal residents was estimated from an analysis of homestead exemption data maintained by the Pinellas County Property Appraiser's Office. Because homestead exemptions are granted to homeowners for primary residences only, it was assumed that dwellings lacking this exemption (more than 40 percent of the area) were used as secondary or vacation homes, and therefore contained residents not counted by the census. Applying this percentage to the permanent population yields an estimate of 469 current seasonal residents, with 512 projected for the year 2005 (see Table 8). It should be noted, however, that some owners may rent out secondary homes to other permanent residents, in which case the above methodology would slightly overcount the seasonal population.

Table 8
Area AA@ Population Estimates and Projections

| Year | Permanent Residents | Seasonal Residents | Total Area AA@ Population |
|-------------|----------------------------|---------------------------|----------------------------------|
| 1995 | 1,096 | 469 | 1,565 |
| 2005 | 1,248 | 512 | 1,760 |

Table 9 compares these numbers to the total Madeira Beach population (permanent plus seasonal), and shows the new totals that would result after annexation. It is projected that annexation of Area AA@ would increase the current city population by approximately 27 percent. By 2005, when the Kapok Grand development is anticipated to be completed, the population is projected to grow by about another 3 percent, for a total increase of approximately 30 percent.

Table 9
Madeira Beach Population Estimates and Projections
Following Annexation of Area AA@¹

| Year | Madeira Beach* | Area AA@* | Total Estimated Population |
|------|----------------|-----------|----------------------------|
| 1995 | 5,878 | 1,565 | 7,443 |
| 2005 | 5,912 | 1,760 | 7,672 |

¹ Permanent plus seasonal populations.

D. Inventory of Facilities and Services

Area AA@ is equipped with facilities for potable water, sanitary sewer, stormwater drainage, and other services. The following inventory presents a description of existing facilities, the agency that owns and maintains the facilities, and any known planned improvements.

1. Natural Gas

Approximately 2,000 feet of 2-inch diameter natural gas main runs beneath Duhme Road, north from Welch Causeway to the Sea Towers condominium complex. An additional 500 feet of 2-inch diameter gas main extends beneath 51st Avenue, east from Duhme Road; this line is being extended into the Kapok Grand development currently under construction. The lines are owned and maintained by People's Gas System, Inc., a private utility.

2. Potable Water

Facilities located within the area include approximately 3,000 feet of 24-inch diameter PVC water main located beneath Duhme Road, with a network of 2- to 6-inch diameter PVC lines extending beneath the remaining roadways. Six fire hydrants are also distributed along rights-of-way in the area. These facilities are owned and maintained by Pinellas County, but private property owners are responsible for maintaining water lines within their property boundaries.

3. Sanitary Sewer

A network of 8-inch diameter PVC gravity mains lies beneath rights-of-way throughout the area, and approximately 1,600 feet of 24-inch diameter PVC force main runs beneath Duhme Road between Seminole Drive/47th Avenue North and 51st Avenue North. The force main is powered by a lift station located at 503-150th Avenue North in Madeira Beach, and sewage is transported to the South Cross Bayou Wastewater Treatment Plant in St. Petersburg. Private property owners are responsible for maintaining sewer lines within their property boundaries; Pinellas County owns and maintains all other lines and facilities.

4. Stormwater Drainage

Stormwater drainage in this area is conducted through swales and storm drains, which are located along rights-of-way and maintained by the Pinellas County Highway Department. The nearest major outfall is located west of Duhme Road, between 51st Avenue and 54th Avenue North. The area is considered to have adequate drainage at this time, and no major improvements are planned by the county. However, the city anticipates maintenance and capital costs of approximately \$10,000 per year.

5. Rights-of-Way

The only major roadway in Area AA[®] is Duhme Road, a 6-lane divided minor arterial. In 1997, the segment extending from Welch Causeway to 54th Avenue North had an average daily traffic volume of 15,853 vehicles and a level-of-service (LOS) standard of AC[®], with a projected LOS of AD[®] in 2005 and 2015. Designated as a scenic/non-commercial corridor, the roadway is owned and maintained by Pinellas County.

Table 10
Area AA[®] Inventory of Public Roadways

| Roadway | Width | Approximate Length in Area AA[®] | Right-of-Way Area |
|------------------------------|--------------|--|--------------------------|
| Duhme Road | 100 feet | 2,800 feet | 280,000 sq. ft. |
| Seminole Drive/47th Avenue N | 50 feet | 1,200 feet | 60,000 sq. ft. |
| Cherokee Drive/48th Avenue N | 50 feet | 1,575 feet | 78,750 sq. ft. |
| 114th Street N | 50 feet | 350 feet | 17,500 sq. ft. |
| Total | | 5,925 feet | 436,250 sq. ft. |

Local roads within the boundaries of Area AA@ include Seminole Drive/47th Avenue North, Cherokee Drive/48th Avenue North, and 114th Street North, as shown in Table 10. These roads are currently under county jurisdiction. An additional privately-owned roadway, Cove Circle, is located entirely inside the Sea Towers condominium complex. These roads are in generally good condition, with no repairs, repaving, or other upgrades scheduled.

E. Costs and Benefits to the City Following Annexation

1. Cost of Providing Public Services to Area AA@

With annexation comes the responsibility for providing many public services, such as fire service, code enforcement, and roadway maintenance (see Section V for a more extensive discussion), most of which are financed from the city's general fund. The city estimates that it can provide most services in Area AA@ using existing staff and equipment. However, the new area would add approximately thirteen staff-hours per week to the city maintenance department, at an estimated cost of \$8,833 annually. It would also be necessary to renegotiate the existing contract with the Pinellas County Sheriff's Office to provide an additional officer on the morning and afternoon shifts, at an estimated cost of \$150,000 annually. Known public service costs for Area AA@ would therefore total about \$159,000, as shown in Table 11.

Table 11
Projected Increase in Public Service Costs
Following Annexation of Area AA@

| Service | Cost |
|-------------------------|------------------|
| Maintenance | \$8,833 |
| Pinellas County Sheriff | \$150,000 |
| Total | \$158,883 |

Although the city finances most services through its general fund, a few are provided on a fee-for-service basis. Because these services will create new revenues as well as new costs following annexation, they are discussed separately below.

2. Costs and Revenues for Fee-Based City Services

While most utilities are provided to Madeira Beach residents by either Pinellas County or commercial providers, solid waste collection/recycling and stormwater drainage services are provided by the Madeira Beach Community Services Department, in return for monthly service fees collected by the city. The total gross revenue collected from service fees was

calculated for a typical single-family house, condominium, and townhome, and these amounts were multiplied by the number of dwelling units of each type (see Appendix). Estimated costs to the city for providing these services were then subtracted from gross revenues. It is estimated that approximately \$117,000 in net annual revenues could be collected for solid waste and stormwater services, as shown in Table 12. General fund revenues for permits and occupational licenses could be expected, but amounts at this time are unknown.

Table 12
Projected Annual Service Fee Costs and Net Revenue,
Area AA@ Residential Properties

| Utility/Service | Gross Revenue | | | Total Costs | Net Revenue |
|------------------------|------------------|-----------------|-------------------|------------------|-------------------|
| | Single-Family | Townhome | Condominium | | |
| Solid Waste Collection | +\$14,040 | +\$7,114 | +\$135,121 | -\$52,091 | +\$104,184 |
| Stormwater Drainage | +\$1,800 | +\$912 | +\$19,944 | -\$10,000 | +\$12,656 |
| Total | +\$15,840 | +\$8,026 | +\$155,065 | -\$62,091 | +\$116,840 |

Table 13
Projected Annual Utility Tax and Franchise Fee Revenue,
Area AA@ Residential Properties

| Utility/Service | Single-Family Households | Townhome Households | Condominium Households | Total Revenue |
|-----------------|--------------------------|---------------------|------------------------|------------------|
| Water | \$1,827 | \$11,268 | \$720 | \$13,815 |
| Electricity | \$11,565 | \$104,407 | \$5,353 | \$121,325 |
| Telephone | \$1,197 | \$13,263 | \$606 | \$15,066 |
| Cellular Phone | \$1,431 | \$15,855 | \$725 | \$18,011 |
| Cable | \$675 | \$7,479 | \$342 | \$8,496 |
| Total | \$16,695 | \$152,272 | \$7,746 | \$176,713 |

3. Revenue from Utility Taxes and Franchise Fees

Utility costs for each household type were based on countywide averages calculated by local utility providers. For services such as cable TV and cellular phones, basic service package costs were used. Utility taxes and franchise fees that would be collected annually were calculated for a typical single-family house, condominium, and townhome, and these

amounts were multiplied by the number of dwelling units of each type (see Appendix). As shown in Table 13, it is estimated that approximately \$177,000 could be collected annually in taxes and fees.

4. Ad Valorem (Property) Tax Revenue

Ad valorem tax revenue for the city was projected based on the fiscal year 1998-99 municipal property tax rate of 2.2 mills, applied to current assessed taxable values reported by the Pinellas County Property Appraiser's Office. As previously discussed, the Kapok Grand development is assessed as vacant land and no attempt was made to calculate the future value of the 104 planned units. As shown in Table 14, if the area is annexed, the city can anticipate approximately \$99,000 in additional annual property tax revenue.

Table 14
Assessed Taxable Value and Projected Annual
Ad Valorem Tax Revenue, Area AA@

| Existing Land Use | Assessed Taxable Value | Ad Valorem Tax @ 2.2 mills |
|-------------------------------|-------------------------------|-----------------------------------|
| Vacant/Tidal Swamp Parcels | \$240,700 | \$530 |
| Kapok Grand Development | \$189,800 | \$418 |
| Myrtle Lane Houses | \$479,900 | \$1,056 |
| Ridgewood Riviera Subdivision | \$6,997,900 | \$15,395 |
| Colonial Court Condominiums | \$1,308,400 | \$2,878 |
| Thornberry Ponds Condominiums | \$2,052,400 | \$4,515 |
| Sea Towers Condominiums | \$32,247,500 | \$70,945 |
| Madrigal Condominiums | \$402,000 | \$884 |
| The Lafayette Condominiums | \$564,600 | \$1,242 |
| Madeira Beach Bank | \$645,800 | \$1,421 |
| Total | \$45,129,000 | \$99,284 |

5. State/Local Revenue Sharing

Revenue sharing occurs when taxes or fees collected by the state or county are redistributed to local jurisdictions. Eligible municipalities receive funds proportionate to the share of

statewide or countywide population they contain. A municipality that gains a significant number of new residents through annexation could expect to see an increase in revenue sharing funds.

Through revenue sharing, Madeira Beach receives funding from the two-cent state cigarette tax, half-cent state sales tax, and local option sales tax (APenny for Pinellas®). As shown in Table 15, it is projected that the city would gain approximately \$143,000 in additional revenue sharing funds if Area AA® were annexed. However, it should be noted that these projections are based on population variables which are very difficult to predict accurately. If the city population grows more slowly or quickly than anticipated relative to the state or county, actual disbursements may differ from the projections shown below.

Table 15
Projected Annual State/Local Revenue Sharing Funds for Madeira Beach
Following Annexation of Area AA®

| Funding Source | Revenues Before Annexation | Projected Revenues Following Annexation | Change in Revenues |
|------------------------|----------------------------|---|--------------------|
| Half-Cent Sales Tax | \$205,800 | \$259,200 | +\$53,400 |
| Two-Cent Cigarette Tax | \$11,950 | \$15,050 | +\$3,100 |
| Local Option Sales Tax | \$333,150 | \$419,570 | +\$86,420 |
| Total | \$550,900 | \$693,820 | +\$142,920 |

Table 16
Projected Annual Net Revenue
Following Annexation of Area AA®

| Revenue/Cost Source | Projected Costs Following Annexation | Projected Revenue Following Annexation | Net Revenue |
|----------------------------|--------------------------------------|--|-------------------|
| Maintenance | -\$8,833 | -- | -\$8,833 |
| Pinellas County Sheriff | -\$150,000 | -- | -\$150,000 |
| Solid Waste/Stormwater | -\$62,091 | +\$178,931 | +\$116,840 |
| Utility Tax/Franchise Fees | -- | +\$176,713 | +\$176,713 |
| Ad Valorem Taxation | -- | +\$99,284 | +\$99,284 |
| Revenue Sharing | -- | +\$142,920 | +\$142,920 |
| Total | -\$220,924 | +\$597,848 | +\$376,924 |

6. Total Net Revenue

Table 16 presents a summary of costs and revenues associated with annexation of Area AA.[@] As shown in the table, it is projected that the city could expect approximately \$377,000 in annual net revenue following annexation.

F. Costs and Benefits to Residents

Annexation would bring about a number of benefits to Area AA[@] residents. Madeira Beach can offer residents a greater voice in local government activities than the large, physically distant county administration. In addition, the city is typically more proactive than the county in code enforcement and road repair activities, which can enhance neighborhood value and quality of life. While enhanced services would be provided, most households would also see increases in some utility bills due to franchise fees and utility taxes. For some residents this cost would be offset by savings in property taxes, solid waste collection fees, and curbside recycling charges.

In order to estimate the changes a typical household would incur in monthly costs, a number of household profiles were created (see Appendix). As shown in Table 17, households residing in a typical single-family dwelling in Area AA[@] could expect to spend about \$8.00 less per month following annexation. Residents of townhome-style dwellings would incur virtually the same monthly costs following annexation, with a projected increase of about \$1.00 in monthly costs per household. Finally, it is estimated that the typical condominium household would see an increase of approximately \$11.00 in monthly costs. It should be noted that these figures are estimates, and that monthly costs of individual households will vary.

Table 17
Estimated Change in Typical Monthly Household Costs
After Annexation of Area AA[@]

| Household Type | Utility, Franchise, and Service Fees | Property Taxes (monthly equivalent) | Cost Difference |
|-----------------------|---|--|----------------------------|
| Single-Family | +\$15.52 | -\$23.12 | -\$7.60 |
| Townhomes | +\$13.96 | -\$12.71 | +\$1.25 |
| Condominiums | +\$20.14 | -\$9.25 | +\$10.89 |

¹ Positive numbers indicate an increase in monthly costs; negative numbers indicate a decrease.

G. Area AA@ Summary

The 87.6 acres of land in Area AA@ is predominantly residential, containing 944 dwelling units (75 single-family houses, 38 townhomes, and 831 condominium units) and an estimated current population of 1,565. An additional 104 townhome-style dwellings are currently being constructed in the northeast portion of the area, and they are expected to bring the total number of residents to 1,760 by the year 2005. The area currently has a total assessed taxable value of \$45,129,000. Note however, that the Kapok Grand property is significantly under-valued as vacant land, and will increase in value after it is developed and reassessed.

If Area AA@ is annexed, the city can anticipate increased annual revenue from property taxes, utility taxes, franchise fees, service fees, and state/local revenue sharing. However, revenue will be offset by the cost of providing the new residents with public services. When anticipated costs are subtracted from projected gross revenue, the resulting net revenue is in the range of \$377,000 annually. Of this amount, approximately \$260,000 would be applied to the general fund. With \$3.8 million general fund revenues anticipated by the city for fiscal year 1998-1999, \$260,000 represents a budgetary increase of about 7 percent, compared with an anticipated population increase of about 27 percent.

It is important to note that expenditures for public services are estimates, and that the need for and cost of additional public services may not become apparent until after annexation has occurred. For this reason, potential revenues should not be perceived as a financial windfall, but rather must be balanced against prospective capital and operating costs.

Finally, data regarding costs and benefits to new residents show mixed results. While residents could expect to see savings in property taxes, those would be offset to some degree by increases in utility taxes and franchise fees. Typical household profiles, compiled from countywide utility consumption averages and property tax data, estimate that residents of single-family homes would spend about \$8.00 less per month after annexation, that townhome residents would spend about \$1.00 more, and that condominium residents would spend approximately \$11.00 more. The cost differential is attributable to variations in assessed property values among these housing types, accompanied by the higher solid waste collection fees charged by the city to condominium residents. As with projected municipal costs and revenues, however, it should be noted that these figures are estimates, and that actual monthly costs will vary among individual households.

III. CHARACTERISTICS OF ANNEXATION AREA AB@

A. Existing Land Use

Area AB@ takes in properties east of Area AA@ to 107th Street, north of the city limits to Cherokee Drive/48th Avenue North (see accompanying map). Encompassing 44.1 acres, the majority of this area is developed with single-family detached houses. Along 107th Street North, on the western edge of the area, a few scattered commercial uses are intermixed with the single-family homes. In the southwestern corner, adjacent to the Madeira Beach city limits, are a number of duplex rental units and one institutional use. Existing land uses, acreage, percentage distribution, and assessed taxable land value are shown in Table 18.

Table 18
Area AB@ Existing Land Uses, Percentage
Distribution, and Assessed Taxable Value

| Land Use | Acreage | Percentage | Assessed Taxable Value |
|---------------|-------------------|---------------|---------------------------|
| Single-Family | 38.9 acres | 88.2% | \$7,006,000 |
| Duplex | 2.1 acres | 4.9% | \$469,300 |
| Commercial | 0.6 acres | 1.3% | \$306,600 |
| Institutional | 1.4 acres | 3.2% | \$19,900 |
| Vacant | 1.0 acre | 2.4% | \$57,300 |
| Total | 44.1 acres | 100.0% | \$7,859,100 |

B. Residential Population

Residential uses include 154 single-family houses and 18 duplex units for a total of 172 units, covering 41 acres. Census blocks corresponding with the boundaries of the area show a ratio of approximately 1.96 persons-per-dwelling-unit. Applying this ratio to the number of dwelling units in the area produces an estimate of 338 permanent residents.

As with Area AA@, the number of seasonal residents was estimated from an analysis of homestead exemption data maintained by the Pinellas County Property Appraiser-s Office. It was assumed that dwellings lacking this exemption (approximately 24 percent of the area) were used as secondary or vacation homes. Applying this percentage to the permanent population yields an estimate of 83 seasonal residents, for a total population of 421 residents (see Table 19). While known rental units were excluded from the analysis, it should be noted that a portion of the

remaining homes may be used as rental housing for permanent residents, who would have already been counted by the 1990 census. The above methodology may therefore slightly overcount the number of seasonal residents. Because the area is essentially built out, the population of Area AB[®] is not expected to change between 1995 and 2005.

Table 19
Area AB[®] Population Estimates and Projections

| Years | Permanent Residents | Seasonal Residents | Total Area AB [®] Population |
|-----------|---------------------|--------------------|---------------------------------------|
| 1995-2005 | 338 | 83 | 421 |

Table 20 compares the total (permanent plus seasonal) Area AB[®] population to that of Madeira Beach, and shows the new city totals resulting after annexation of this area. Annexation of this area would increase the number of Madeira Beach residents by approximately 7 percent.

Table 20
Madeira Beach Population Estimates and Projections
Following Annexation of Area AB[®]

| Year | Madeira Beach | Area AB [®] | Total Population |
|------|---------------|----------------------|------------------|
| 1995 | 5,878 | 421 | 6,299 |
| 2005 | 5,912 | 421 | 6,333 |

¹ Permanent plus seasonal populations.

C. Inventory of Facilities and Services

1. Natural Gas

Only a handful of properties in the area, those located southwest of Navajo Drive and southeast of Huron Road, have access to a natural gas line. Approximately 800 feet of gas pipeline lies beneath these parcels, and is supplied from a 4-inch diameter gas main extending beneath Welch Causeway and Alternate U.S. 19, east of the area.

2. Potable Water

A 16-inch diameter ductile iron pipe extends approximately 1,700 feet beneath 107th Street North, between Madeira Beach city limits and Cherokee Drive/48th Avenue North. The

remainder of Area AB[®] is served by a network of 2- to 6-inch diameter PVC lines extending beneath local roadways, along with seven fire hydrants distributed along rights-of-way. Facilities in public areas are owned and maintained by the Pinellas County Utilities System, while private property owners are responsible for maintaining water lines within their property boundaries.

3. Sanitary Sewer

Approximately 500 feet of 24-inch diameter PVC force main runs beneath 107th Street North between Seminole Drive/47th Avenue North and Cherokee Drive/48th Avenue North, and is powered by a lift station located at 503-150th Avenue North in Madeira Beach. A network of 8-inch diameter PVC gravity mains also extends beneath rights-of-way throughout the area. Pinellas County owns and maintains facilities located in public rights-of-way, while private property owners are responsible for facilities within their property boundaries. All sewage is conveyed to the South Cross Bayou Wastewater Treatment Plant in St. Petersburg.

4. Stormwater Drainage

Stormwater drainage in this area is conducted through swales and storm drains, which are located along rights-of-way and maintained by the Pinellas County Highway Department. The nearest major outfall is located west of Duhme Road, between 51st Avenue and 54th Avenue North. The area is considered to have adequate drainage at this time, and no major improvements are planned. However, the city anticipates maintenance and capital costs of approximately \$20,000 per year.

Table 21
Area AB[®] Inventory of Public Roadways

| Roadway | Width | Approximate Length in Area AB[®] | Right-of-Way Area |
|----------------------------|--------------|--|--------------------------|
| 107th Street North | 50 feet | 1,700 feet | 85,000 sq. ft. |
| Huron Road | 50 feet | 1,450 feet | 72,500 sq. ft. |
| Mohawk Road | 50 feet | 775 feet | 38,750 sq. ft. |
| Mohegan Road | 50 feet | 400 feet | 20,000 sq. ft. |
| Navajo Drive | 50 feet | 1,450 feet | 72,500 sq. ft. |
| Seminole Drive/47th Avenue | 50 feet | 2,000 feet | 100,000 sq. ft. |
| Shawnee Road | 50 feet | 450 feet | 22,500 sq. ft. |
| Total | | 8,225 feet | 411,250 sq. ft. |

5. Rights-of-Way

All roadways within the boundaries of Area AB@ are 50-foot wide local streets, and are currently under the jurisdiction of Pinellas County. An inventory of these roads is presented in Table 21. Although no repairs or improvements are currently planned for this area, many of the road surfaces are uneven and would benefit from increased maintenance and resurfacing.

D. Costs and Benefits to the City Following Annexation

1. Cost of Providing Public Services to Area AB@

With annexation comes the responsibility for providing many public services, such as fire service, code enforcement, and roadway maintenance (see Section V for a more extensive discussion). Although the city estimates that it can provide most services in Area AB@ using existing staff and equipment, a number of additional costs would be generated. The annual cost of administrative services such as code enforcement and planning would increase by an estimated \$15,000. Transportation costs, which would finance road repair and repaving, would increase by an estimated \$5,000 annually. Approximately twenty-seven staff-hours per week would be added to the city maintenance department, at an estimated annual cost of \$17,667. Finally, it would also be necessary to renegotiate the existing contract with the Pinellas County Sheriff's Office to provide an additional officer on the morning and afternoon shifts, at an estimated cost of \$150,000 annually. Additional public service costs for Area AB@ would therefore total approximately \$188,000, as shown in Table 22.

Table 22
Projected Increase in Public Service Costs
Following Annexation of Area AB@

| Service | Cost |
|---------------------------|------------------|
| Planning/Code Enforcement | \$15,000 |
| Transportation | \$5,000 |
| Maintenance | \$17,667 |
| Pinellas County Sheriff | \$150,000 |
| Total | \$187,667 |

2. Costs and Revenues for Fee-Based City Services

Although most municipal services are financed through general fund revenues, the city collects monthly service fees for solid waste collection/recycling and stormwater drainage. The total annual revenue expected from service fees was calculated for a typical single-

family household, and this amount was multiplied by the number of dwelling units in the area (see Appendix). It is estimated that approximately \$3,000 in solid waste collection and stormwater fees could be collected annually. However, this revenue would be more than offset by the cost of providing services to the new residents, as shown in Table 23. It is estimated that city would incur approximately \$1,000 a year in additional costs for stormwater and solid waste services following annexation of Area AB.@

Table 23
Projected Annual Service Fee Revenue,
Area AB@ Residential Properties

| Utility/Service | Gross Revenue | Costs | Net Revenue |
|------------------------|----------------------|-----------------|--------------------|
| Solid Waste Collection | +\$2,652 | -\$1,768 | +\$884 |
| Stormwater Drainage | +\$340 | -\$2,000 | -\$1,660 |
| Total | +\$2,992 | -\$3,768 | -\$776 |

3. Revenue from Utility Taxes and Franchise Fees

Area AB@ contains single-family and duplex residential units, which tend to have comparable utility consumption patterns and property values. Therefore, the single-family household consumption profile (see Appendix) was used for all residences. Utility taxes and franchise fees that would be paid annually by a typical household were multiplied by the number of dwelling units in the area. It is estimated that the city could collect about \$38,000 in taxes and fees annually, as shown in Table 24.

Table 24
Projected Annual Utility Tax and Franchise Fee Revenue,
Area AB@ Residential Properties

| Utility/Service | Revenue |
|------------------------|-----------------|
| Water | \$4,190 |
| Electricity | \$26,522 |
| Telephone | \$2,745 |
| Cellular Phone | \$3,282 |
| Cable TV | \$1,548 |
| Total | \$38,287 |

4. Ad Valorem Tax Revenue

Ad valorem tax revenue was projected based on the fiscal year 1998-99 municipal property tax rate of 2.2 mills, applied to current assessed taxable values as reported by the Pinellas County Property Appraiser's Office. As shown in Table 25, if the area were annexed, the city could anticipate approximately \$17,000 in additional annual property tax revenue.

Table 25
Assessed Taxable Value and Projected Annual
Ad Valorem Tax Revenue, Area AB@

| Land Use | Assessed Taxable Value | Ad Valorem Tax @ 2.2 mills |
|---------------|---------------------------|-------------------------------|
| Single-Family | \$7,006,000 | \$15,413 |
| Duplex | \$469,300 | \$1,032 |
| Commercial | \$306,600 | \$675 |
| Institutional | \$19,900 | \$44 |
| Vacant | \$57,300 | \$126 |
| Total | \$7,859,100 | \$17,290 |

5. State/Local Revenue Sharing

Table 26 summarizes the most recent revenues disbursed to the city via state revenue sharing, and the revenues that would be anticipated if Area AB@ were annexed (approximately \$44,000). Again, it should be noted that these projections are based on population variables which are difficult to forecast accurately, and that actual disbursements may differ significantly from the projections shown below.

Table 26
Projected Annual State/Local Revenue Sharing Funds for Madeira Beach
Following Annexation of Area AB@

| Funding Source | Revenues Before Annexation | Projected Revenues Following Annexation | Change in Revenues |
|------------------------|-------------------------------|--|-----------------------|
| Half-Cent Sales Tax | \$205,800 | \$222,270 | +\$16,470 |
| Two-Cent Cigarette Tax | \$11,950 | \$12,900 | +\$950 |
| Local Option Sales Tax | \$333,150 | \$359,800 | +\$26,650 |
| Total | \$550,900 | \$594,970 | +\$44,070 |

6. Total Net Revenue

Table 27 presents a summary of costs and revenues associated with annexation of Area AB.@ As shown in the table, it is projected that costs associated with annexing this area would outweigh revenues, and that the city would incur about \$89,000 in additional annual costs following annexation.

Table 27
Projected Annual Net Revenue
Following Annexation of Area AB@

| Revenue/Cost Source | Projected Costs Following Annexation | Projected Revenues Following Annexation | Net Revenue |
|-----------------------------------|--------------------------------------|---|------------------|
| Administrative Costs ¹ | -\$37,667 | -- | -\$37,667 |
| Pinellas County Sheriff | -\$150,000 | -- | -\$150,000 |
| Solid Waste/Stormwater Fees | -\$3,768 | +\$2,992 | -\$776 |
| Utility Tax/Franchise Fees | -- | +\$38,287 | +\$38,287 |
| Ad Valorem Taxation | -- | +\$17,290 | +\$17,290 |
| State Revenue Sharing | -- | +\$44,070 | +\$44,070 |
| Total | -\$191,435 | +\$102,639 | -\$88,796 |

¹ Includes code enforcement, planning, maintenance, and transportation costs.

E. Costs and Benefits to Residents

Annexation of this area would bring similar benefits to residents as those realized by residents of Area AA.@ Costs associated with annexation were calculated using typical utility and service consumption patterns for single-family households (see Appendix), and the average assessed taxable value of Area AB@ residences. Based on this profile, the average household would see property taxes decline by approximately \$125.00 per year, or about a \$10.00 monthly equivalent. However, these savings would be slightly outweighed by the increase in utility taxes and franchise fees, with an estimated net increase of approximately \$5.00 in monthly costs, as shown in Table 28.

Table 28
Estimated Change in Typical Monthly Household Costs
After Annexation of Area AB[@]

| Household Type | Utility, Franchise, and Service Fees | Property Taxes (monthly equivalent) | Cost Difference |
|-----------------------|---|--|----------------------------|
| Single-Family | +\$15.52 | -\$10.40 | -\$5.12 |

¹ Positive numbers indicate an increase in monthly costs; negative numbers indicate a decrease.

F. Area AB[@] Summary

In summary, the 44.1-acre area of land in Area AB[@] is predominantly residential, containing 172 dwelling units (154 single-family houses and 18 duplex units) and an estimated population of 421. The properties have a total assessed taxable value of \$7,859,100.

If Area AB[@] were annexed, the city could anticipate increased annual revenue from property taxes, utility taxes, franchise fees, service fees, and state/local revenue sharing. However, revenue will be more than offset by the cost of providing the new residents with public services. When anticipated costs are subtracted from projected gross revenue, it is estimated that the city would incur an additional \$89,000 in annual expenditures. Moreover, it is important to note that expenditures for public services are estimates, and additional costs may not become apparent until after annexation has occurred.

Finally, the analysis suggests that both costs and benefits would accrue to residents following annexation. While residents can expect to see savings in property taxes, these savings would be offset slightly by increases in utility taxes and franchise fees. Although actual monthly costs will vary among individual households, a typical household in Area AB[@] could expect to spend about \$5.00 more per month following annexation.

IV. ANNEXATION OF BOTH AREAS AA[@] AND AB[@]

Together, the two study areas encompass 131.7 acres, contain 1,116 dwelling units (229 single-family houses, 18 duplex units, 38 townhomes, and 831 condominium units), and an estimated total population of 1,986. Nearly sixteen acres are vacant, with 104 townhome units under construction on 12.8 acres. By the year 2005, when the new townhomes are scheduled for completion, the population of the two areas is projected to be 2,181. Annexation of both areas would, therefore, increase the city population by about 37 percent. Table 29 shows the projected population increase.

Table 29
Madeira Beach Population Estimates and Projections
Following Annexation of Areas AA@ and AB@

| Year | Madeira Beach | Area AA@ | Area AB@ | Total Population |
|------|---------------|----------|----------|------------------|
| 1995 | 5,878 | 1,565 | 421 | 7,864 |
| 2005 | 5,912 | 1,760 | 421 | 8,093 |

Annexation of both study areas could benefit the city through increased revenues, generated by ad valorem property taxes, solid waste collection fees, stormwater drainage fees, utility taxes, franchise fees, and state revenue sharing. These revenues would, however, be offset to varying degrees by the cost of providing administrative services, solid waste collection, stormwater drainage, and police protection. Table 30 displays net revenue estimates for the combined areas.

Table 30
Projected Annual Net Revenues
Following Annexation of Areas AA@ and AB@

| Revenue/Cost Source | Both Areas |
|--------------------------------------|-------------------|
| Administrative Costs ¹ | -\$47,000 |
| Pinellas County Sheriff ² | -\$150,000 |
| Solid Waste/Stormwater | +\$116,000 |
| Utility Tax/Franchise Fees | +\$215,000 |
| Ad Valorem Taxation | +\$116,000 |
| State Revenue Sharing | +\$187,000 |
| Total | +\$437,000 |

¹ Includes code enforcement, planning, maintenance, and transportation costs.

² Includes the cost of two additional Pinellas County Sheriff-s officers, which will be needed whether Area AA@, Area AB@, or both areas are annexed.

A major factor affecting net revenues is the Pinellas County Sheriff-s Office, which has estimated that it would need to charge the city \$150,000 to extend police protection to the new areas. These funds would provide an additional officer on the morning and afternoon shifts, which would be needed if either Area AA@ or Area AB@ were annexed. However, if both areas were annexed, one additional officer per shift would be sufficient to serve all of the new residents, and the cost would remain \$150,000. It is estimated that the city could collect

approximately \$437,000 in net annual revenues if both areas were annexed, as shown in Table 30.

It should be noted that stormwater and solid waste revenues would be applied to municipal funds dedicated for those purposes, not to the general fund. Of the projected \$437,000, the amount dedicated to the general fund would be approximately \$321,000. To put this figure into perspective, with \$3.8 million in general fund revenues anticipated by the city for fiscal year 1998-1999, \$321,000 represents a budgetary increase of about 8 percent, compared with an anticipated population increase of about 34 percent.

V. JURISDICTIONAL RESPONSIBILITIES

A. Projected Costs of Annexation

Annexation of the study areas would require the city to assume responsibility for a variety of public services. Initial analysis by city staff suggests that existing personnel and equipment would be adequate to administer most public services for the new residents. Many services, including potable water, sanitary sewer, natural gas, and library access, would remain the responsibility of Pinellas County or other agencies, and would not accrue expenses for the city. Based on city level-of-service standards, existing beach accesses, parks, and recreational facilities would be adequate to accommodate the new population. The city EMS unit is considered adequate to serve the new residents, and fire service would likely be provided by existing personnel from the Madeira Beach Fire Department.

Known expenditures would include increased costs for maintenance and police protection in both areas, and for planning, code enforcement and road resurfacing in Area B. However, staff cautions that the need for new facilities and personnel may not become evident until after annexation has occurred, particularly in the areas of fire service and solid waste collection. Following is a description of service provisions for each category.

B. Administrative Services

All administrative services for the areas, including building inspection, code enforcement, finance, and planning, are currently provided by Pinellas County. The city would assume responsibility for these services. Preliminary analysis suggests that existing personnel would be adequate to administer Area AA@, while Area AB@ would incur about \$15,000 per year in planning and code enforcement costs.

C. Emergency Medical Services (EMS)

Both areas are currently provided EMS coverage by the Seminole Fire District, operating from Station 29, located at 11195-70th Avenue. If either area is annexed, the Madeira Beach Fire Department would assume jurisdictional responsibility, serving from its station at 300 Municipal Drive. The departments also maintain a mutual aid agreement. Funding for EMS coverage is provided in part by Pinellas County, and this funding would be unaffected by annexation. It is expected that the existing Madeira Beach EMS unit would be adequate to service either or both annexation areas.

D. Fire District

Both areas receive fire services from the Seminole Fire District, and are served by Station 29, located at 11195-70th Avenue. If either area is annexed, the Madeira Beach Fire Department would assume jurisdictional responsibility, serving from its station at 300 Municipal Drive. The departments also maintain a mutual aid agreement. Although the city estimates that existing facilities would be adequate to serve the new areas, there is a potential for unanticipated costs, such as additional rolling stock and personnel. Alternatively, the city could choose to contract with the Seminole Fire District to continue service.

E. Library

Residents of the areas, and of Madeira Beach, may use any of the seventeen libraries in the Pinellas Public Library Cooperative. The service is paid for through property taxes. Included in the cooperative is the Gulf Beaches Public Library, located at 200 Municipal Drive in Madeira Beach. Library availability will not be affected if the areas are annexed.

F. Natural Gas

Natural gas is provided by People's Gas System, Inc., a private utility, which owns and maintains a system of gas pipelines throughout the areas (see Sections II and III for inventory). The utility will retain responsibility for providing these services if either area is annexed.

G. Police

Police protection in both areas is currently the responsibility of the Pinellas County Sheriff's Office, which also provides these services by contract to Madeira Beach. All services in south county are provided from the main complex at 10750 Ulmerton Road near Largo. If either area is annexed, the Sheriff's Office will continue to provide services, although renegotiation of the city contract will be required. Preliminary cost estimates indicate that the city would pay an additional \$150,000 to supply police protection to one or both study areas.

H. Potable Water

Both Madeira Beach and the two annexation areas receive potable water from the Pinellas County Utilities System. A system of water lines, hydrants, and other facilities extends throughout both areas. Facilities in public areas are owned and maintained by the county; private property owners are responsible for maintaining water lines within their property boundaries. The existing service provisions will not be affected if the areas are annexed.

I. Recreation

Although Pinellas County maintains a park system, it does not provide recreational programs or facilities. Residents of the areas may use Madeira Beach recreational facilities, but are currently charged higher fees than city residents for some programs. Therefore, if either area is annexed, residents will have access to recreational amenities at lower cost. Municipal parks and beaches remain free of charge for all recreational users, along with county-owned parks.

J. Sanitary Sewer

The Pinellas County Utilities System provides sanitary sewer service to both areas, and to the portion of Madeira Beach lying north of Welch Causeway, through a network of force mains, gravity mains, and lift stations (see Sections II and III for inventory). Private property owners are responsible for maintaining sewer lines within their property boundaries; the county owns and maintains all other lines and facilities. Because the study areas are located outside of the city's sewer district, Pinellas County would continue to provide service if they were annexed.

K. Solid Waste/Recycling

Neither area has a designated solid waste collection service provider; instead, individual residents, neighborhood associations, and condominium associations contract with private haulers of their choice. All nonrecyclable waste is transported to the Refuse-to-Energy Plant/Bridgeway Acres Landfill. Residents may also contract with private haulers for collection of recyclable waste, or may transport it themselves to the nearest county collection center. If either area is annexed, responsibility for solid waste collection and recycling will be assumed by the Madeira Beach Community Services Department. Rolling stock and personnel costs associated with taking on the required additional responsibilities are expected to total about two-thirds of revenues.

L. Stormwater Drainage

The areas are located in the Coastal Zone #5 drainage basin, one of 52 basins delineated in the *Pinellas County Master Drainage Plan*. Drainage structures are maintained by the Pinellas County Highway Department (see Sections II and III for inventory), but would become the responsibility of the Madeira Beach Community Services Department following annexation. Maintenance and drainage improvements costs are expected to total \$10,000 in Area AA@ and \$20,000 in Area AB.®

M. Transportation

All public roadways in the areas are owned and maintained by Pinellas County (see Sections II and III for inventory). Duhme Road is a designated county road and would remain under county jurisdiction if the surrounding areas were annexed. However, all other roadways are considered local, and would become the responsibility of the Madeira Beach Community Services Department, resulting in potential new maintenance and reconstruction costs. In particular, a number of roadway segments in Area AB@ are in need of resurfacing, and are expected to generate \$5,000 per year in additional costs for the foreseeable future.

APPENDIX

The following appendix details selected calculations and assumptions used to produce the financial estimates included in this report. In order to estimate both annual revenues and monthly household costs, typical household profiles were created for single-family, townhome, and condominium units. The profiles estimate monthly costs paid for water, sewer, electricity, cable, telephone, and other charges by a typical household in each category, based on data from local utility and service providers. Multiple profiles were created because these household types tend to vary in their utility consumption, and therefore incur different monthly costs. Households were also divided into two study areas, due to variations in average assessed property values. As shown in the following tables, Area AA@ housing was divided into single-family, townhome, and condominium categories, while all Area AB@ housing was classified as single-family units.

A. Household Profiles

1. Single-Family Households, Area AA@

As shown in Table 31, households residing in a typical single-family dwelling in Area AA@ could expect to spend about \$8.00 less per month following annexation. Although a number of service costs would increase slightly due to utility taxes and franchise fees, these costs would be outweighed by savings in property taxes, which would equal about \$277.00 per year, or \$23.00 monthly equivalent.

Table 31
Typical Monthly Costs Before and After Annexation,
Area AA@ Single-Family Households

| | Cost Before Annexation | Cost After Annexation | Reason for Change in Cost | Difference in Monthly Costs ¹ |
|--|------------------------------|-----------------------------|--|--|
| Water (8,000 gallons/month) | \$20.25 | \$22.28 | 10% utility tax | +\$2.03 |
| Sewer (8,000 gallons/month) | \$32.80 | \$32.80 | Pinellas County continues service | \$0.00 |
| Electricity (1000 kWh/month) | \$85.72 | \$98.57 | 10% utility tax ² ; 6% franchise fee | +\$12.85 |
| Telephone (local only) | \$16.58 | \$17.91 | 7% utility tax; 1% franchise fee | +\$1.33 |
| Cell Phone (service charge only) | \$22.78 | \$24.37 | 7% utility tax | +\$1.59 |
| Cable TV (basic channels only) | \$25.31 | \$25.88 | Change in base rate; 3% franchise fee | +\$0.57 |
| Solid Waste Collection | \$18.45 | \$15.60 | Provided by city | -\$2.85 |
| Curbside Recycling | \$2.00 | \$0.00 | Provided by city | -\$2.00 |
| Stormwater | \$0.00 | \$2.00 | Provided by city | +\$2.00 |
| Property Taxes (monthly Equivalent -- assessed Taxable value of \$100,000) | \$188.68 | \$165.56 | City millage replaces county MSTU; change in fire district | -\$23.12 (-\$277.40/year) |
| Total | \$412.57 | \$404.97 | | -\$7.60 (-\$91.20/year) |

¹ Negative numbers indicate a decrease in costs.

² A portion of the fuel charge is exempted from this utility tax.

2. Townhome Households

Households residing in townhome-style dwellings would pay virtually the same monthly costs following annexation, as shown in Table 32. Property taxes would decline by an average of about \$150.00 per year, or \$13.00 monthly equivalent. However, it is estimated that these savings would be slightly outweighed by increased utility taxes and franchise fees, with a net increase of about \$1.00 in monthly costs per dwelling unit.

Table 32
Typical Monthly Costs Before and After Annexation,
Area AA@ Townhome Households

| Utility/Service | Cost Before Annexation | Cost After Annexation | Reason for Change in Cost | Difference in Monthly Costs¹ |
|--|-------------------------------|------------------------------|---|--|
| Water (6,000 gallons/month) | \$15.75 | \$17.33 | 10% utility tax | +\$1.58 |
| Sewer (6,000 gallons/month) | \$26.60 | \$26.60 | Pinellas County continues service | \$0.00 |
| Electricity (895 kWh/month) | \$77.68 | \$89.42 | 10% utility tax ² ; 6% franchise fee | +\$11.74 |
| Telephone (local only) | \$16.58 | \$17.91 | 7% utility tax; 1% franchise fee | +\$1.33 |
| Cell Phone (service charge only) | \$22.78 | \$24.37 | 7% utility tax | +\$1.59 |
| Cable TV (basic channels only) | \$25.31 | \$25.88 | Change in base rate; 3% franchise fee | +\$0.57 |
| Solid Waste Collection | \$18.45 | \$15.60 | Provided by city | -\$2.85 |
| Curbside Recycling | \$2.00 | \$0.00 | Provided by city | -\$2.00 |
| Stormwater | \$0.00 | \$2.00 | Provided by city | +\$2.00 |
| Property Taxes (monthly Equivalent – assessed Taxable value of \$55,000) | \$103.77 | \$91.06 | City millage replaces county MSTU; change in fire district | -\$12.71 (-\$152.57/year) |
| Total | \$308.92 | \$310.17 | | +\$1.25 (+\$15.00/year) |

¹ Negative numbers indicate a decrease in costs.

² A portion of the fuel charge is exempted from this utility tax.

3. Condominium Households

Condominium households could also expect to see savings in property taxes (an average of about \$111.00 per year, or \$9.00 monthly equivalent). However, due to the addition of utility taxes and franchise fees, it is estimated that the typical condominium household would see an increase of approximately \$11.00 in monthly costs.

Table 33
Typical Monthly Costs Before and After Annexation,
Area AA@ Condominium Households

| | Cost Before Annexation | Cost After Annexation | Reason for Change in Cost | Difference in Monthly Costs¹ |
|--|-------------------------------|------------------------------|--|--|
| Water (4,000 gallons/month) | \$11.25 | \$12.38 | 10% utility tax | +\$1.13 |
| Sewer (4,000 gallons/month) | \$20.40 | \$20.40 | Pinellas County continues service | \$0.00 |
| Electricity (790 kWh/month) | \$69.62 | \$80.09 | 10% utility tax ² ; 6% franchise fee | +\$10.47 |
| Telephone (local only) | \$16.58 | \$17.91 | 7% utility tax; 1% franchise fee | +\$1.33 |
| Cell Phone (service charge only) | \$22.78 | \$24.37 | 7% utility tax | +\$1.59 |
| Cable TV (basic channels only) | \$25.31 | \$25.88 | Change in base rate; 3% franchise fee | +\$0.57 |
| Solid Waste Collection | \$10.50 | \$13.55 | Provided by city | +\$3.05 |
| Stormwater | \$0.00 | \$2.00 | Provided by city | +\$2.00 |
| Property Taxes (monthly Equivalent – assessed Taxable value of \$40,000) | \$75.47 | \$66.22 | City millage replaces County MSTU; change in fire district | -\$9.25 (-\$110.96/year) |
| Total | \$251.91 | \$262.80 | | +\$10.89 (+\$130.68/year) |

¹ Negative numbers indicate a decrease in costs.

² A portion of the fuel charge is exempted from this utility tax.

4. Single-Family Households, Area AB@

Finally, single-family households residing in Area AB@ would see property taxes decline by approximately \$125.00 per year, or \$11.00 monthly equivalent. However, these savings would be slightly outweighed by the increase in utility taxes and franchise fees, with an estimated net increase of approximately \$5.00 in monthly costs.

Table 34
Typical Monthly Costs Before and After Annexation,
Area AB@ Single-Family Households

| | Cost Before Annexation | Cost After Annexation | Reason for Change in Cost | Difference in Monthly Costs¹ |
|---|-----------------------------------|----------------------------------|--|--|
| Water (8,000 gallons/month) | \$20.25 | \$22.28 | 10% utility tax | +\$2.03 |
| Sewer (8,000 gallons/month) | \$32.80 | \$32.80 | Pinellas County continues service | \$0.00 |
| Electricity (1,000 kWh/month) | \$85.72 | \$98.57 | 10% utility tax ² ; 6% franchise fee | +\$12.85 |
| Telephone (local only) | \$16.58 | \$17.91 | 7% utility tax; 1% franchise fee | +\$1.33 |
| Cell Phone (service charge only) | \$22.78 | \$24.37 | 7% utility tax | +\$1.59 |
| Cable TV (basic channels only) | \$25.31 | \$25.88 | Change in base rate; 3% franchise fee | +\$0.57 |
| Solid Waste Collection | \$18.45 | \$15.60 | Provided by city | -\$2.85 |
| Curbside Recycling | \$2.00 | \$0.00 | Provided by city | -\$2.00 |
| Stormwater | \$0.00 | \$2.00 | Provided by city | +\$2.00 |
| Property Taxes (monthly Equivalent -- assessed Taxable value of \$45,000) | \$84.90 | \$74.50 | City millage replaces county MSTU; change in fire district | -\$10.40 (-\$124.83/year) |
| Total | \$308.79 | \$313.91 | | +\$5.12 (+\$61.44/year) |

¹ Negative numbers indicate a decrease in costs.

² A portion of the fuel charge is exempted from this utility tax.

B. Ad Valorem (Property) Tax

In order to create ad valorem tax estimates for the preceding household profiles, average property values were computed for each housing type, and millage rates for Madeira Beach and Pinellas County were applied to these averages and compared. Table 35 displays the average ad valorem tax that would be paid by each household type before and after annexation, the annual savings that would result, and the monthly equivalent of those savings. It is estimated that typical households would save between \$111.00 and \$277.00 in property taxes each year, depending on dwelling type and location.

Table 35
Ad Valorem Tax Calculation, Areas AA[®] and AB[®]

| Housing Category | Average Assessed Taxable Value (rounded to nearest \$5,000) | Average Pinellas County Ad Valorem Tax (@ 22.6412 mills) | Average Madeira Beach Ad Valorem Tax (@ 19.8672 mills) | Change in Ad Valorem Tax Following Annexation | Monthly Equivalent |
|---|---|--|--|---|--------------------|
| Single-Family House, Area AA [®] | \$100,000 | \$2,264.12 | \$1,986.72 | -\$277.40 | -\$23.12 |
| Townhome, Area AA [®] | \$55,000 | \$1,245.27 | \$1,092.70 | -\$152.57 | -\$12.71 |
| Condominium, Area AA [®] | \$40,000 | \$905.65 | \$794.69 | -\$110.96 | -\$9.25 |
| Single-Family House, Area AB [®] | \$45,000 | \$1,018.85 | \$894.02 | -\$124.83 | -\$10.40 |

C. Utility Taxes and Franchise Fees

In addition to estimating potential costs and benefits for residents, household profiles were also used to estimate utility taxes and franchise fees that could potentially be collected by the city following annexation. To estimate these revenues, the amount of taxes and fees paid by a typical household in each category was multiplied by the number of households in that category, as shown in the following tables.

Table 36
Utility Tax Calculation for Water, Areas AA@ and AB@

| Housing Type | Typical Monthly Use¹ | Monthly Service Charge² | Monthly Utility Tax Collected Per Unit³ | Number of Units of This Type | Total Monthly Utility Tax Collected | Total Annual Utility Tax Collected |
|-------------------------|--|---|---|-------------------------------------|--|---|
| Single-Family, Area AA@ | 8,000 gallons | \$20.25 | \$2.03 | 75 | \$152.25 | \$1,827.00 |
| Townhome, Area AA@ | 6,000 gallons | \$15.75 | \$1.58 | 38 | \$60.04 | \$720.48 |
| Condominium, Area AA@ | 4,000 gallons | \$11.25 | \$1.13 | 831 | \$939.03 | \$11,268.36 |
| Single-Family, Area AB@ | 8,000 gallons | \$20.25 | \$2.03 | 172 | \$349.16 | \$4,189.92 |
| Total | -- | -- | -- | 1,116 | \$1,500.48 | \$18,005.76 |

¹ Estimated by Pinellas County Utilities.

² Service charge equals \$2.25 per 1000 gallons, plus a flat fee of \$2.25.

³ Utility tax is equal to 10 percent of service charges.

1. Potable Water

Table 36 shows the calculation for water utility taxes. It is estimated that between the two study areas, the city could collect approximately \$18,000 annually from this source.

2. Electricity

The city collects both utility taxes and franchise fees on electricity service. Table 37 calculates the revenues that could be gained from these sources, which could total approximately \$148,000 annually between the two study areas.

Table 37
Utility Tax/Franchise Fee Calculation for Electricity, Areas AA@ and AB@

| Housing Type | Typical Monthly Use ¹ | Monthly Service Charge ² | Monthly Tax/Fee Collected Per Unit ³ | Number of Units of This Type | Total Monthly Tax/Fee Collected | Total Annual Tax/Fee Collected |
|-------------------------|----------------------------------|-------------------------------------|---|------------------------------|---------------------------------|--------------------------------|
| Single-Family, Area AA@ | 1,000 kWh | \$85.72 | \$12.85 | 75 | \$963.75 | \$11,565.00 |
| Townhome, Area AA@ | 895 kWh | \$77.68 | \$11.74 | 38 | \$446.12 | \$5,353.44 |
| Condominium, Area AA@ | 790 kWh | \$69.62 | \$10.47 | 831 | \$8,700.57 | \$104,406.84 |
| Single-Family, Area AB@ | 1,000 kWh | \$85.72 | \$12.85 | 172 | \$2,210.20 | \$26,522.40 |
| Total | -- | -- | -- | 1,116 | \$12,320.64 | \$147,847.68 |

¹ Estimated by Florida Power Corporation.

² Service charge equals \$0.07473 per kWh, plus a flat fee of \$8.85, and a 2.56 percent state utility tax.

³ Utility tax equals 10 percent of monthly service charge, minus a portion of fuel cost. Franchise fee is equal to 6 percent of monthly service charge.

Table 38
Utility Tax/Franchise Fee Calculation for Telephone Service, Areas AA@ and AB@

| Housing Type | Monthly Service Charge ¹ | Monthly Tax/Fee Collected Per Unit ² | Number of Units of This Type | Total Monthly Tax/Fee Collected | Total Annual Tax/Fee Collected |
|-------------------------|-------------------------------------|---|------------------------------|---------------------------------|--------------------------------|
| Single-Family, Area AA@ | \$16.58 | \$1.33 | 75 | \$99.75 | \$1,197.00 |
| Townhome, Area AA@ | \$16.58 | \$1.33 | 38 | \$50.54 | \$606.48 |
| Condominium, Area AA@ | \$16.58 | \$1.33 | 831 | \$1,105.23 | \$13,262.76 |
| Single-Family, Area AB@ | \$16.58 | \$1.33 | 172 | \$228.76 | \$2,745.12 |
| Total | -- | -- | 1,116 | \$1,484.28 | \$17,944.28 |

¹ Estimated by General Telephone Enterprises (GTE). Includes \$11.81 basic service charge, 3 percent federal tax, \$3.61 federal fee, 2.56 percent state tax, and \$0.40 county 911 fee.

² Utility tax is equal to 7 percent of monthly service charge; franchise fee is equal to 1 percent.

3. Telephone Service

Table 38 calculates the revenues that could be gained from taxes and fees on local telephone service, which could total approximately \$18,000 annually between the two study areas.

4. Cellular Phone Service

For the following calculation, it was assumed that a typical household would subscribe to a cellular phone service, and pay a basic rate of \$19.95 per month. As shown in Table 39, it is estimated that the city could collect about \$21,000 per year from cellular phone taxes.

Table 39
Utility Tax Calculation for Cellular Phone Service, Areas AA@ and AB@

| Housing Type | Monthly Service Charge ¹ | Monthly Utility Tax Collected Per Unit ² | Number of Units of This Type | Total Monthly Utility Tax Collected | Total Annual Utility Tax Collected |
|-------------------------|-------------------------------------|---|------------------------------|-------------------------------------|------------------------------------|
| Single-Family, Area AA@ | \$22.78 | \$1.59 | 75 | \$119.25 | \$1,431.00 |
| Townhome, Area AA@ | \$22.78 | \$1.59 | 38 | \$60.42 | \$725.04 |
| Condominium, Area AA@ | \$22.78 | \$1.59 | 831 | \$1,321.29 | \$15,855.48 |
| Single-Family, Area AB@ | \$22.78 | \$1.59 | 172 | \$273.48 | \$3,281.76 |
| Total | -- | -- | 1,116 | \$1,774.44 | \$21,293.28 |

¹ Estimated by General Telephone Enterprises (GTE). Includes \$19.95 basic service charge, 3 percent federal tax, 2.56 percent state tax, 7 percent sales tax, and 1 percent county tax.

² Utility tax is equal to 7 percent of monthly service charge.

Table 40
Franchise Fee Calculation for Cable TV Service, Areas AA@ and AB@

| Housing Type | Monthly Service Charge ¹ | Monthly Franchise Fees Collected Per Unit ² | Number of Units of This Type | Total Monthly Franchise Fees Collected | Total Annual Franchise Fees Collected |
|-------------------------|-------------------------------------|--|------------------------------|--|---------------------------------------|
| Single-Family, Area AA@ | \$25.13 | \$0.75 | 75 | \$56.25 | \$675.00 |
| Townhome, Area AA@ | \$25.13 | \$0.75 | 38 | \$28.50 | \$342.00 |
| Condominium, Area AA@ | \$25.13 | \$0.75 | 831 | \$623.25 | \$7,479.00 |
| Single-Family, Area AB@ | \$25.13 | \$0.75 | 172 | \$129.00 | \$1,548.00 |
| Total | -- | -- | 1,116 | \$837.00 | \$10,044.00 |

¹ Estimated by Time Warner Cable. Includes \$23.45 basic service charge, \$0.04 federal fee, and 7 percent sales tax.

² Utility tax is equal to 3 percent of monthly service charge. Because the Madeira Beach basic service charge differs from that of Pinellas County, this amount does not match the Adifference in monthly costs@ total from Tables 31-34.

5. Cable TV Service

For the following calculation, it was assumed that a typical household would subscribe to basic cable service provided by Time Warner, the primary cable distributor in the area. As shown in Table 40, it is estimated that the city could collect approximately \$10,000 per year from cable franchise fees.